

Budget Has Good News For Schools, Homeowners

Rate Cut Aimed at Easing Sting of Assessments

By NANCY TREJOS
Washington Post Staff Writer

The Montgomery County Council is set to give final approval today to a \$3.9 billion fiscal 2007 operating budget that expands full-day kindergarten and boosts spending on roads and transit while cutting the property tax rate.

The 139,000-student public school system would get the largest share of the funding — about \$1.85 billion, a \$137 million increase from this year's spending plan.

"An improving economy meant more resources to work with," Council President George L. Leventhal (D-At Large) said in a written statement. "We were able to fund critical priorities and give a \$127 million property tax reduction."

Council members approved the cut in the property tax rate last week. The cut will lower the rate by 5 cents per \$100 of assessed value, more than last year's 4-cent cut but less than the 9.5-cent reduction that County Executive Douglas M. Duncan (D) had proposed.

Eligible homeowners will also get a one-time \$221 credit. In addition, those homeowners who make less than \$64,000 a year will get a "circuit-breaker" tax credit. The credit would apply to the first \$300,000 of the assessed value of a home, averaging about \$804 per eligible household.

Still, most people will face higher property taxes despite the cuts because their houses have increased in value. For example, an owner of a home assessed at \$440,000 will pay \$56 more, but that amount is \$441 less than he or she would have paid under the current system.

The council stayed within the charter limit — which requires the county to limit property tax revenue to last year's revenue plus 4 percent inflation — for the second year in a row. Doing so required the council to make \$122.5 million in spending reductions.

Council members rejected Duncan's proposal in favor of the 5-cent plan pushed by County Council member Marilyn Praisner (D-Eastern County) because they wanted to maintain some flexibility for future budgets. The council faces a potential \$800 million shortfall within six years.

But council members also said the package gives those with homes worth \$400,000 or less a greater percentage of the reduction.

"It's more progressive than an across-the-board property tax reduction," Praisner said. "Obviously depending upon the value of the home, it has a greater impact on the lower end."

If approved, part of the school system's budget will go toward opening five new

continued

Property Owners See Some Relief In County Budget

BUDGET, From Page 3

schools, reforming middle schools, hiring 15 new assistant principals for elementary schools and bolstering gang prevention programs.

About \$3 million would be used to reduce class sizes in elementary and high schools. The council also set aside \$3 million to expand full-day kindergarten to 30 elementary schools and \$575,000 to reduce waiting lists for adult English-

"Show me the money that wasn't well spent. Our nonprofits are the lifeblood of our county."

— TOM PEREZ,
County Council member

language classes. Employee pensions would be enhanced, at a cost of \$13.2 million.

The council also plans to increase its oversight of the school system by hiring two analysts to focus on the schools budget.

Schools Superintendent Jerry D. West applauded the council's allocations.

"We appreciate the Council's support of our reform efforts and the additional resources to help us pursue our mission of providing a high-quality education for every child in Montgomery County," West said in

a written statement

Nonprofit organizations also would benefit from the budget. After hours of tense debate, the council approved Duncan's proposal to dole out \$4.5 million in community grants to several nonprofit groups. The council also decided to fund \$3.7 million of the more than \$5 million of community grants on its own wish list.

Critics say the annual practice of handing out grants is too political and that council members use them to buy support. But council members argue that the nonprofit groups provide many social and medical services to county residents.

"Show me the pork," said County Council member Tom Perez (D-Silver Spring). "Show me the money that wasn't well spent. Our nonprofits are the lifeblood of our county."

The budget also aims to ease traffic congestion. The council agreed to set aside \$160 million to fund transportation improvements that the state has not agreed to pay for. The county plans to build a southern entrance to the Bethesda Metro station and to spend \$18.7 million on a second Glenmont Metro garage.

Ride On bus service would improve on 24 routes through the \$2 million purchase of 44 buses. The council will also spend \$250,000 on a program in which employers subsidize employees' use of mass transit.